

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 710 – HB 826

March 17, 2015

SUMMARY OF ORIGINAL BILL: Requires payments for all sales to a licensee holding a license for on premises consumption of alcoholic beverages to be made within the time period negotiated between the wholesaler and the retailer, rather than upon delivery of a product. Authorizes such payments to be made by cash or check, in addition to electronic funds transfer, credit card, debit card, or other method as approved by the Alcoholic Beverage Commission.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

SUMMARY OF AMENDMENT (004226): Deletes all language after the enacting clause. Authorizes a wholesaler to extend credit to a licensee holding a license for on premises consumption of alcoholic beverages for a period not to exceed ten days from the date of the delivery of the product, if the payment is effected by electronic funds transfer or escrow payment. Requires all amounts due to the wholesaler to be paid upon delivery of the product in all other instances. Creates a rebuttable presumption that a licensee is not financially responsible if such licensee fails to satisfy its obligations to any wholesaler twice within a twelve-month period. Requires the Alcoholic Beverage Commission (ABC) to set a hearing upon notification by the wholesaler, to determine if the licensee can rebut the presumption. Authorizes ABC to issue a fine, suspend or revoke the license, or make any other order it deems appropriate, upon finding that the licensee is not financially responsible.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumptions for the bill as amended:

- Authorizing wholesalers to issue short-term credits to retailers in certain circumstances will not significantly impact the number of licensed establishments or alcohol sales in the state.
- The proposed legislation as amended is modifying a requirement that was enacted by Public Chapter 1015 of the Public Acts of 2014.
- Any fiscal impact to the ABC will be not significant.

CERTIFICATION:

SB 710 – HB 826

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "Jeffrey L. Spalding". The signature is written in a cursive, flowing style.

Jeffrey L. Spalding, Executive Director

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